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WISCONSIN

FEDERAL MILK ORDER BULLETIN



for the
Milwaukee, Northeastern
and Madison Marketing Areas
T. McCleery—Market Administrator

THANKSGIVING TRADITION

MAR 16 1968

NOVEMBER 1967

CURRENT SERIAL RECORDS

A Look at Current Federal Orders

H. L. FOREST, DIRECTOR, DAIRY DIVISION

Excerpts from a talk given at the meeting of United Farmers of New England, Morrisville, Vermont, October 7, 1967.

I welcome the opportunity to be with you and discuss some of the more important developments in the dairy industry and in the Federal milk order program.

As you know, the USDA is now considering proposals for higher order prices requested by the National Milk Producers Federation and Associated Dairymen. In this connection, I would like to review with you some of the pertinent dairy supply-demand statistics which are being reviewed by the Office of the Secretary.

I might be helpful if I attempted some summary conclusions as to where the dairy industry is as of now.

1. **PRICES** to dairy farmers in many areas have dropped from their record high of last year under the

pressure of lower domestic demand. Last month, prices paid in Minnesota and Wisconsin per hundredweight of manufacturing milk containing 3.5 percent butterfat averaged \$3.97—down 29 cents from August 1966. And nobody that I know of expects the Minnesota-Wisconsin price this year to come anywhere near last year's high of \$4.34.

Prices in many fluid markets would also be lower if cooperative associations had not been successful in obtaining higher prices from dealers. I'm sure you are all aware of higher prices recently negotiated in the Chicago, Madison, Northeastern Wisconsin, and Milwaukee markets. Cooperatives in other areas have also been successful. The Great Lakes Milk Marketing Federation has obtained higher prices in fluid markets from Michigan through Tennessee and Associated Dairymen, another federation, has

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DATA IN BRIEF — FOR THE MAN IN A HURRY

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<u>OCTOBER 1967</u>	<u>MILWAUKEE</u> <u>Order No. 39</u> ♦		<u>NORTHEASTERN WIS.</u> <u>Order No. 45</u>		<u>MADISON</u> <u>Order No. 51</u>	
Class I Price & Differential	\$4.89	8.1¢	\$4.75	8.4¢	\$4.89	8.1¢
Class II Price & Differential	\$3.98	7.7¢	\$3.98	7.7¢	\$3.98	7.7¢
Producer Price & Differential	\$4.53	7.9¢	\$4.41	8.1¢	\$4.65	8.0¢
Pounds of Producer Milk	324,745,061		42,894,568		17,660,734	
Percentage in Class I	61.6%		58.7%		72.2%	
<u>NOVEMBER 1967</u>						
Class I Price & Differential	\$4.89	8.0¢	\$4.75	8.3¢	\$4.89	8.0¢

♦ After May 1, 1966.

SELECTED COMPARISON OF WISCONSIN MARKETS

	Order No. 39 ▲			Order No. 45			Order No. 51		
	October		Com-	October		Com-	October		Com-
	'67	'66	parison	'67	'66	parison	'67	'66	parison
<u>Average Daily:</u>									
Producer Milk, thous. lbs.	2712	2553	6.2%	1384	1188	16.5%	570	536	6.3%
Other Receipts, thous. lbs.	140	156	-10.3%	67	68	-1.5%	127	141	-9.9%
Gross Class I, thous. lbs.	2491	2224	12.0%	838	827	1.3%	453	454	-2.2%
Gross Class II, thous. lbs.	712	664	7.2%	684	507	34.9%	244	223	9.4%
Deliveries per Farm, lbs.	1156	1073	7.7%	1003	933	7.5%	1122	1054	6.5%
Number of Farms	2425	2383	42	1379	1273	106	512	534	-22
Avg. Test of Producer Milk, %	3.79	3.79	-0-	3.75	3.80	-.05	3.71	3.79	-.08
<u>Number of Handlers:</u>									
Pool Plants	26	27	-1	48	54	-6	13	18	-5
Other Handlers	2	2	-0-	5	4	1	6	7	-1
Producer Milk in Class I, %	84.5	86.1	-1.6	58.7	67.5	-8.8	72.2	73.4	-1.2
<u>Shrinkage to Total Receipts:</u>									
Product Pounds, %	1.49	1.51		1.05	1.61		1.06	1.46	
Butterfat Pounds, %	1.39	1.31		1.75	2.00		.50	1.09	

▲ Prior to May 1, 1966.

NEARBY FEDERAL ORDER DATA

OCTOBER 1967

MARKET	Producer Milk	Class I Milk	Class I Price 3.5% Milk	Producer Price 3.5% Milk	November 1967 Class I Price 3.5% Milk
	thous. lbs.	thous. lbs.	\$ per cwt.	\$ per cwt.	\$ per cwt.
Duluth-Superior, No. 69	13,357	7,312	5.15	4.45	5.15
Madison, No. 51	17,661	12,754	4.89	4.65	4.89
Michigan Upper Peninsula, No. 44	8,907	7,236	4.96	4.887	4.96
Milwaukee, No. 39♦	324,745	200,125	4.89	4.53	4.89
Minneapolis-St. Paul, No. 68	120,220	66,322	4.87	4.54	4.87
Northeastern Wisconsin, No. 45	42,895	25,194	4.75	4.41	4.75
Quad Cities-Dubuque, No. 63	32,630	22,032	5.11	4.74	5.11
Rock River Valley, No. 38	9,899	8,376	4.93	4.79	4.93
Southern Michigan, No. 40	300,695	200,101	5.20	4.78	5.20

Note: The producer price shown for Michigan Upper Peninsula and Milwaukee is, in each case, the weighted average of minimum pay prices for pool plants, including zone or location differentials. Announced prices for basic zones are quoted in other instances. During base pay periods weighted averages are shown for base and excess prices.

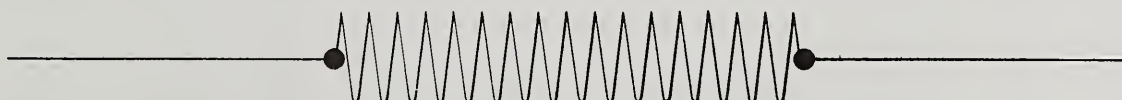
♦ After May 1, 1966

COMPUTATION OF UNIFORM PRICES*

3

OCTOBER 1967

	Northeastern Wisconsin Marketing Area Federal Order No. 45			Madison Wisconsin Marketing Area Federal Order No. 51		
	Producer			Producer		
	Milk	B'Fat	Value	Milk	B'Fat	Value
Producer Milk in Class I	25,193,908	855,720	\$1,174,814.54	12,753,724	447,691	\$618,995.28
Producer Milk in Class II	17,700,660	752,015	806,505.02	4,907,010	207,733	223,009.49
Total Milk and Value Before Adjustments	42,894,568	1,607,735	\$1,981,319.56	17,660,734	655,424	\$842,004.77
Adjustments for Value of:						
Overage Deducted from Class I and II			1,190.36			3,054.79
Beginning Inventory Reclassification			245.11			18.73
Other Source Milk Deducted from Class I at Class I Price			-0-			7,484.23
Butterfat More or Less than 3.5 Percent			-86,204.36			-29,671.98
Producer Location Differentials			-0-			9,118.92
Half of Producer-Equalization Fund			16,404.06			5,292.06
Other Source Milk Deducted from Class I at Blend Price			-0-			-7,826.47
Aggregate Value and Average Price	\$4.4596667		\$1,912,954.73	\$4.696719		\$829,475.05
Reserve to Producer-Equalization Fund	.0496667		-21,304.32	.046719		-8,250.92
Uniform Price for 3.5% Mill	\$4.41		\$1,891,650.41	\$4.65		\$821,224.13



USDA RECOMMENDS FEDERAL MILK MARKETING ORDER FOR EASTERN OHIO-WESTERN PENNSYLVANIA

The U.S. Department of Agriculture has issued a recommended decision on establishing a Federal milk marketing order for the marketing areas of Eastern Ohio and Western Pennsylvania. The decision would merge the present Northeastern Ohio, Youngstown-Warren and Wheeling orders into a single order and add territory in 14 Pennsylvania and 6 Ohio counties to the marketing order area. The Pennsylvania counties are in the Pittsburgh and Erie marketing areas.

In its recommended decision, USDA pointed out that State regulation of the Western Pennsylvania milk marketing area does not provide for regulating the price of milk received from outside the State. This has provided handlers with an incentive to get their milk supplies from out-of-State sources at prices lower than those required to be paid Pennsylvania dairy farmers. In 1966, 20% of the 1.1 billion pounds of milk received by Pittsburgh area fluid milk dealers came from outside Pennsylvania. In addition, substantial quantities of milk are processed and packaged at out-of-State plants for distribution in Western Pennsylvania.

A single Federal milk marketing order establishing uniform class prices at reasonable levels with a market-wide pool for distributing returns to producers supplying the marketing area will provide a regulatory program consistent with current marketing conditions and practices, the USDA decision concludes.

(continued from page 1)

A LOOK AT CURRENT FEDERAL ORDERS

also obtained higher fluid prices in many midwestern and southern markets.

2. CONSUMPTION OF DAIRY PRODUCTS has been running below year-ago levels. Class I sales in Federal order marketing areas usually increase about 1-1/2 percent a year reflecting, for the most part, population increases. So far this year, fluid milk sales in Federal order markets are about one percent below year-ago levels. Commercial disappearance of many of the major dairy products has been equally disappointing.

3. GOVERNMENT PROGRAM COSTS are running well above costs of a year ago because of substantial increases in purchases of butter, cheese, and nonfat dry milk by the Commodity Credit Corporation.

I am well aware that a substantial portion of these purchases can be attributed to imports, particularly of butterfat mixtures and Colby cheese. The Tariff Commission's actions of July 1, 1967, limiting imports will reduce government purchases significantly. Nevertheless, CCC purchases so far this year already exceed the equivalent of 6.7 billion pounds of milk more than twice as much as imports likely will reach.

I would like to turn your attention to Federal order problems and developments and I cannot think of a better starting point than Class I prices.

(continued on page 8)

* Subject to location differentials where applicable. In the case of members of approved cooperatives, these prices are subject to the deductions authorized by the associations. The prices listed do not include any premium payments which may be paid by handlers and which may bring actual payments in excess of the minimum requirements.

UTILIZATION AND CL

MILWAUKEE MARKET NO. 39 ▲

ITEM	October 1967		September 1967		October 1966	
	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat
CLASS I MILK						
Packaged Products:						
Fluid Milk	57,432	3.5	57,682	3.5	51,341	3.5
Flavored Milk	2,911	3.5	2,647	3.4	2,268	3.5
2% Skim Milk, Solids Added	9,002	2.0	8,674	2.1	7,097	2.1
2% Skim Milk	2,118	2.1	2,093	2.1	2,189	2.1
Skim Milk, Solids Added	2,280	.3	2,292	.4	1,981	.4
Skim Milk	929	.5	934	.5	950	.7
Buttermilk	507	1.1	536	1.2	530	1.1
Flavored Milk Drink	101	.5	104	.5	197	.5
Half & Half	858	11.8	879	11.8	867	12.3
Light Cream	12	18.4	12	18.2	14	19.0
Whipping Cream	133	33.7	132	33.7	148	33.5
Cultured Cream	261	17.0	276	16.8	273	16.9
Subtotal	76,544	3.3	76,261	3.3	67,855	3.4
Bulk Sales to Nonhandlers	482	3.7	581	3.6	825	3.7
Unaccounted for Milk	207	6.4	534	3.5	256	5.4
Total Utilized in Class I	77,233	3.3	77,376	3.3	68,936	3.4
Nonpool Receipts*	-6,228	—	-6,898	—	-789	4.9
CLASS I – PRODUCER MILK	71,005	3.3	70,478	3.3	68,147	3.4
CLASS II MILK						
Eggnog	—	—	—	—	—	—
Bakeries et al.**	354	6.9	354	6.5	79	18.2
Cottage Cheese	3,939	1.0	3,797	.9	3,799	1.1
Cheese	2,207	3.7	2,060	3.6	1,385	4.1
Butter	636	35.8	455	34.3	526	36.9
Evap., Cond., & Pwd.	1,987	5.6	1,618	5.2	781	3.8
Ice Cream & Mixes	3,118	10.1	2,815	11.1	4,354	7.1
Livestock Feed	90	—	86	—	89	—
Dumped Products	—	—	3	—	10	—
Skim Equiv. Fort. Prod.	2,013	—	1,960	—	1,477	—
Ending Inventory	6,415	4.0	5,229	4.1	6,833	4.1
Shrinkage	1,326	3.1	1,617	2.7	1,266	2.8
Total Utilized in Class II	22,085	5.0	19,994	4.7	20,599	4.7
Nonpool Receipts*	-9,013	2.5	-10,123	3.1	-9,598	2.6
CLASS II – PRODUCER MILK	13,072	6.6	9,871	6.4	11,001	6.5
TOTAL PRODUCER RECEIPTS	84,077	3.8	80,349	3.7	79,148	3.8

▲ Prior to May 1, 1966.

* Includes receipts of other source milk, beginning inventory, and overage, all as allocated to classes and adjustment for Class II interorder transfers shown as Class I.

** Bakeries et al. includes products for candy manufacturing, aerated cream, sour cream products not labeled Grade A, and small amounts of eggnog during off-season months.

CLASSIFICATION OF MILK

NORTHEASTERN MARKET NO. 45

MADISON MARKET NO. 51

October 1967		September 1967		October 1966		October 1967		September 1967		October 1966	
Thousand Pounds	% B'fat	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat
18,748	3.4	18,657	3.4	19,548	3.4	7,482	3.4	5,351	3.4	7,405	3.4
1,246	3.5	1,206	3.4	1,399	3.5	599	3.7	433	3.7	646	3.7
1,848	2.1	1,798	2.0	1,497	2.1	1,452	2.1	968	2.2	1,627	2.1
582	2.2	581	2.2	443	2.2	219	2.3	226	2.2	—	—
646	.3	757	.4	802	.4	316	.4	188	.3	370	.4
491	.5	382	.7	432	.7	47	.7	47	.4	41	.6
186	.9	187	.9	184	.8	85	1.4	51	1.2	96	1.4
158	.9	160	1.0	121	.9	12	1.0	13	.1	11	.3
311	12.5	341	12.5	345	12.7	208	11.1	120	11.7	223	12.2
1	24.9	1	26.3	3	24.9	—	—	—	—	—	—
52	35.3	54	35.0	60	35.5	22	34.2	13	34.2	28	34.4
91	18.6	99	18.8	87	18.7	96	18.9	16	19.1	79	18.5
24,360	3.3	24,223	3.4	24,921	3.4	10,538	3.5	7,426	3.3	10,526	3.5
1,551	3.5	2,648	3.4	509	3.8	3,962	3.8	1,945	3.9	3,924	3.8
56	1.6	207	3.5	206	6.8	55	1.4	33	4.1	87	2.7
25,967	3.4	27,078	3.4	25,636	3.5	14,555	3.6	9,404	3.5	14,537	3.6
—773	2.8	—642	3.0	—783	3.0	—1,801	4.0	—1,714	3.9	—2,343	4.3
25,194	3.4	26,436	3.4	24,853	3.5	12,754	3.5	7,690	3.4	12,194	3.4
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2	34.5	—	—	4	34.8
2,170	1.1	2,165	1.1	1,984	1.1	1,628	1.1	—	—	1,487	1.0
11,073	3.7	9,426	3.6	5,120	3.7	864	3.5	102	3.6	1,173	3.6
360	35.3	267	34.4	100	31.4	390	37.5	104	35.9	267	36.8
2,642	1.0	2,009	.9	3,195	3.9	2,103	—	745	—	1,122	—
1,204	11.0	1,432	10.7	1,395	10.7	446	7.2	462	8.5	603	10.1
64	—	65	—	74	—	52	—	40	—	85	—
24	—	7	—	4	—	—	—	—	—	1	3.7
566	—	560	—	517	—	234	—	95	—	267	—
2,685	4.1	2,133	4.2	2,836	4.1	1,079	3.9	541	4.4	1,174	4.2
393	4.8	484	3.3	438	3.6	236	1.8	108	2.3	258	2.9
21,181	4.0	18,548	3.9	15,663	4.2	7,034	3.9	2,197	4.8	6,441	4.3
—3,480	2.9	—4,130	3.2	—3,693	3.0	—2,127	3.1	—900	3.4	—2,019	3.1
17,701	4.2	14,418	4.1	11,970	4.5	4,907	4.2	1,297	5.8	4,422	4.8
42,895	3.7	40,854	3.6	36,823	3.8	17,661	3.7	8,987	3.7	16,616	3.8

RECEIPTS AND CLASS I UTILIZATION*

	YEAR	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	AVG
MILWAUKEE ORDER NO. 39A														
Producer Receipts	1965	62.0	57.6	64.5	65.8	64.2	61.3	62.5	60.7	64.9	67.0	66.2	68.0	63.7
Class I Pounds	1966	67.6	63.5	70.2	67.9	67.2	63.1	62.0	66.2	66.9	68.1	67.7	70.4	66.7
	1967	71.7	66.8	71.2	70.1	74.3	68.1	65.8	67.3	70.5	71.0			
Class I Percent	1965	79.3	80.5	80.8	79.8	75.8	76.9	80.3	79.0	87.1	87.4	88.2	86.4	81.8
	1966	83.7	85.8	84.9	84.1	82.0	79.4	83.2	85.3	87.6	86.1	86.2	83.4	84.3
	1967	80.8	82.2	83.1	78.8	79.7	76.9	76.7	78.7	87.7	84.5			
Total Receipts	1965	78.2	71.6	79.9	82.4	84.7	79.7	77.8	76.9	74.5	76.6	75.1	78.7	78.0
	1966	80.7	74.0	82.7	80.7	81.9	79.5	74.5	77.6	76.3	79.1	78.5	86.5	79.3
	1967	88.7	81.3	85.6	88.9	93.2	88.6	85.9	85.6	80.3	84.1			
Other Source Receipts	1965	3.9	3.7	4.4	4.5	4.3	4.8	5.3	4.4	5.5	5.7	5.5	5.3	4.8
	1966	4.3	5.0	5.6	4.4	4.6	4.5	5.0	5.2	5.6	4.8	4.6	3.8	4.8
	1967	3.4	3.6	5.4	3.8	4.3	5.1	5.3	5.2	4.7	4.3			
NORTHEASTERN WISCONSIN ORDER NO. 45														
Producer Receipts	1965	24.0	22.6	25.3	23.8	23.0	21.8	24.6	23.4	23.9	24.5	24.3	24.6	23.8
Class I Pounds	1966	24.5	23.0	24.9	23.8	24.0	22.1	24.4	25.4	25.2	24.9	24.4	24.5	24.3
	1967	24.2	22.9	26.4	22.9	24.4	21.8	22.9	24.1	26.4	25.2			
Class I Percent	1965	56.2	57.0	56.4	54.3	51.6	51.7	70.5	71.5	73.3	70.7	67.0	62.4	61.9
	1966	57.3	57.9	55.7	53.9	52.1	48.7	62.1	68.6	73.7	67.5	64.8	54.2	59.7
	1967	48.7	46.0	48.5	44.1	44.4	41.1	50.4	56.0	64.7	58.7			
Total Receipts	1965	42.8	39.6	44.8	43.8	44.7	42.2	34.9	32.7	32.7	34.7	36.2	39.4	39.0
	1966	42.7	39.8	44.8	44.1	46.0	45.4	39.2	37.1	34.3	36.8	37.7	45.2	41.1
	1967	49.7	49.7	54.5	51.9	54.9	53.1	45.5	43.1	40.9	42.9			
Other Source Receipts	1965	1.9	1.9	2.3	2.1	2.1	2.5	3.2	2.9	2.4	2.3	2.1	2.2	2.3
	1966	1.9	1.9	2.3	2.1	2.4	2.7	2.9	2.8	2.4	2.1	2.1	2.1	2.3
	1967	2.0	2.0	2.5	2.0	2.3	2.5	2.5	2.7	2.1	2.1			
MADISON ORDER NO. 51														
Producer Receipts	1965	17.0	14.3	18.0	11.3	9.9	9.4	11.8	10.8	12.3	12.8	12.6	12.1	12.7
Class I Pounds	1966	12.2	11.5	11.9	10.7	11.0	9.9	11.6	10.7	12.0	12.2	11.8	11.2	11.4
	1967	12.4	11.2	14.3	9.7	10.3	8.5	8.9	10.2	7.7	12.8			
Class I Percent	1965	71.3	65.8	75.0	64.9	59.6	58.8	78.3	73.9	86.8	82.9	83.4	76.1	73.1
	1966	74.5	76.3	69.2	63.9	62.8	59.0	72.3	69.0	76.0	73.4	66.2	60.1	68.6
	1967	61.3	60.0	65.5	48.0	47.8	42.9	51.6	61.1	85.6	72.2			
Total Receipts	1965	23.8	21.8	24.0	17.4	16.6	16.1	15.1	14.6	14.2	15.5	15.1	16.0	17.5
	1966	16.4	15.1	17.2	16.8	17.5	16.8	16.1	15.5	15.8	16.6	17.9	18.7	16.7
	1967	20.3	18.7	21.8	20.2	21.5	19.9	17.2	16.7	9.0	17.7			
Other Source Receipts	1965	2.3	1.9	2.2	2.3	4.9	3.7	2.6	2.6	2.8	3.3	3.3	2.6	2.9
	1966	2.9	2.4	2.0	2.3	2.3	2.6	3.3	2.3	3.9	3.5	3.0	3.7	2.8
	1967	2.8	3.0	4.3	2.5	2.9	3.3	2.9	2.9	2.0	3.0			

* Shown in millions of pounds.

PRODUCER DELIVERY INFORMATION

MILWAUKEE ORDER NO. 39A														
Number of Farms	1965	2246	2237	2228	2350	2345	2333	2346	2372	2362	2300	2306	2304	2311
	1966	2295	2294	2275	2252	2238	2280	2302	2362	2385	2383	2427	2439	2328
	1967	2434	2450	2456	2568	2567	2521	2567	2566	2413	2425			
Average Daily Production	1965	1121	1136	1154	1166	1161	1152	1073	1051	1060	1019	1089	1112	1108
	1966	1134	1152	1170	1195	1177	1166	1050	1076	1068	1073	1086	1146	1124
	1967	1176	1192	1127	1215	1244	1205	1174	1114	1114	1156			
Average Test, Percent	1965	3.78	3.77	3.77	3.75	3.71	3.62	3.56	3.60	3.75	3.80	3.78	3.77	3.72
	1966	3.75	3.75	3.73	3.73	3.72	3.65	3.60	3.58	3.67	3.79	3.85	3.83	3.72
	1967	3.80	3.78	3.78	3.74	3.72	3.66	3.60	3.59	3.66	3.79			
NORTHEASTERN WISCONSIN ORDER NO. 45														
Number of Farms	1965	1304	1306	1305	1301	1282	1286	1203	1219	1287	1288	1344	1332	1288
	1966	1378	1374	1350	1332	1328	1323	1291	1294	1266	1273	1312	1425	1329
	1967	1448	1549	1556	1455	1458	1455	1389	1395	1409	1379			
Average Daily Production	1965	1058	1084	1107	1122	1125	1095	935	867	846	868	898	954	997
	1966	1000	1034	1071	1103	1118	1114	980	924	903	933	957	1023	1013
	1967	1107	1146	1130	1190	1216	1217	1057	997	966	1003			
Average Test, Percent	1965	3.69	3.68	3.68	3.67	3.64	3.64	3.59	3.62	3.76	3.81	3.77	3.73	3.69
	1966	3.71	3.69	3.66	3.66	3.65	3.63	3.57	3.59	3.67	3.80	3.82	3.76	3.68
	1967	3.74	3.71	3.70	3.67	3.65	3.63	3.59	3.57	3.64	3.75			
MADISON ORDER NO. 51														
Number of Farms	1965	645	644	638	508	488	486	497	504	499	500	493	492	533
	1966	490	488	488	490	484	478	518	496	638	534	643	586	528
	1967	564	603	596	611	621	576	571	595	262	512			
Average Daily Production	1965	1189	1206	1215	1144	1095	1102	979	936	948	997	1023	1047	1073
	1966	1081	1106	1135	1142	1169	1170	1003	1010	1026	1054	1040	1051	1082
	1967	1160	1172	1180	1240	1237	1288	1157	1073	1150	1122			
Average Test, Percent	1965	3.69	3.68	3.69	3.70	3.70	3.61	3.56	3.59	3.77	3.79	3.76	3.74	3.69
	1966	3.73	3.72	3.70	3.70	3.69	3.62	3.56	3.60	3.69	3.79	3.81	3.78	3.70
	1967	3.74	3.73	3.73	3.68	3.65	3.58	3.54	3.55	3.72	3.71			

▲ Prior to May 1, 1966.

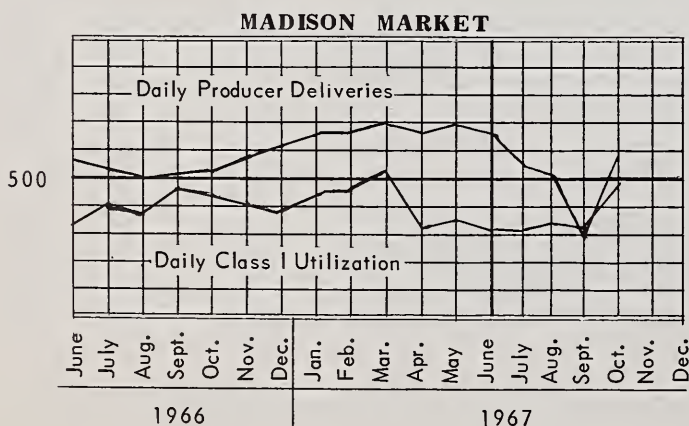
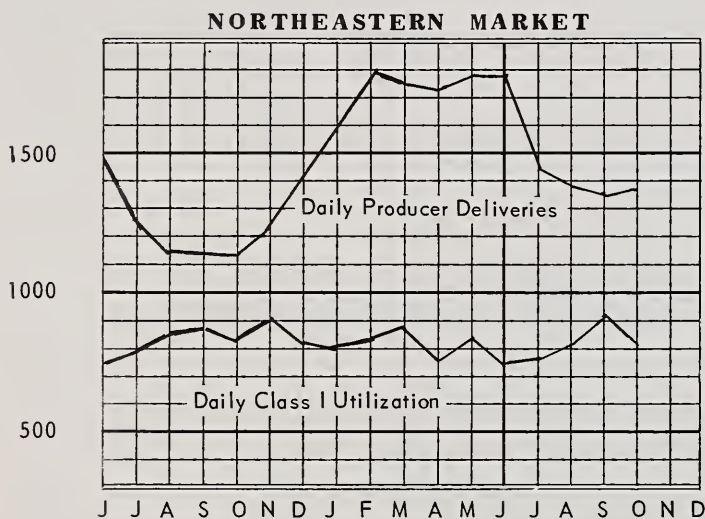
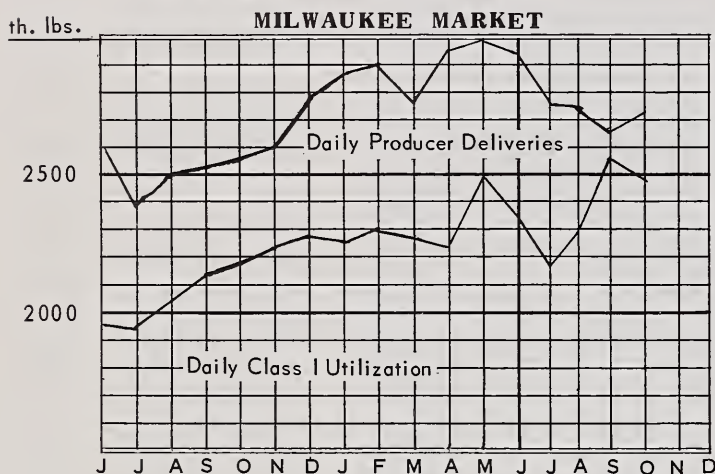
WISCONSIN FEDERAL MILK ORDER BULLETIN

PUBLISHED MONTHLY BY
Federal Milk Market Administrator
4920 West Burleigh Street
Milwaukee, Wisconsin 53210

FOR THE
MILWAUKEE, NORTHEASTERN and MADISON MARKETING AREAS

This bulletin is primarily to provide producers who are not members of cooperative associations with market information in accordance with §1039.74 of the Milwaukee Wisconsin marketing order, §1045.75 of the Northeastern Wisconsin marketing order, and §1051.77 of the Madison Wisconsin marketing order.

COMPARISON OF DAILY PRODUCER DELIVERIES TO DAILY CLASS I UTILIZATION



(continued from page 3)

A LOOK AT CURRENT FEDERAL ORDERS

Class I Prices

As you know, last spring on the basis of a public hearing record, we terminated the usual decline in Class I prices in those order markets with seasonal differentials and provided for Class I differentials which would be equal to the annual average differential. Class I prices in these markets and markets without seasonal differentials were also increased 20 cents per hundredweight through April 1968.

Comparable changes were made in northeastern orders which use economic formulas. Not only is the Class I increase significant, but perhaps of more importance, is the elimination of seasonal differentials.

Just as the substitution of the Minnesota-Wisconsin price several years ago for the several alternative basic formulas then used tended to eliminate fluctuations among respective order prices, so too has the elimination of seasonally varying Class I differentials.

Price Alignment

As a result of increasing movements of milk during recent years, one of the most controversial aspects of the order program has been intermarket price alignment. Price alignment is a very complex aspect of our program because it involves so many variables. But the complexity is compounded because "price alignment" does not mean the same thing to all people. Some raise the issue of misaligned prices when what they really mean is that they think their prices are lower than they should be. Others think of price alignment in terms of a model where prices in each area of the country are precisely related to prices in every other fluid market area; and, still others think of the relationship of fluid and manufacturing milk prices when they use the phrase "price alignment." I'm sure each of you can think of several other definitions of "price alignment" which you have heard one time or another.

We think of alignment in terms of alignment of Class I prices. The basic guide we use in attempting to achieve alignment of Class I prices is the pricing standard in the legislation authorizing Federal orders.

The Agricultural Marketing Agreement Act of 1937 provides a supply-demand standard for establishing Class I prices. The Act also provides that orders cannot prohibit or limit the movement of milk. In fact, we could not effectively administer the pricing standard in the Act, if milk could not flow freely in response to price differences.

In general, the United States geographic structure of milk prices results in a higher price as one moves farther away from the major areas of milk production. This price/distance relationship may be slightly affected by supply and demand situations in a particular market. Sufficient flexibility and variation in prices also must be maintained to encourage movement of milk to obtain economical and efficient utilization of resources.

Proper alignment of prices is the only possible assurance under Federal orders against the loss of your market to dairymen in other areas. Of course, all dairy farmers want as high a price as possible. However, it is important to remember that with today's marketing system, too high a price, in the long run, will make it harder for a cooperative to sell milk, and easier for others to take business away from the cooperative.

(to be concluded in the next issue)

MINIMUM PAY PRICES FOR HANDLERS

OCTOBER 1967

Milwaukee Wisconsin Marketing Area
Federal Order No. 39

Minimum prices per hundredweight to be paid on or before the 15th of each month to producers, 3.5% milk, f.o.b. plant. These prices are subject to a butterfat differential per point over and under 3.5% and to a deduction of 2 cents per hundredweight for marketing service for nonmembers.

NAME AND LOCATION OF PLANTS	MINIMUM PAY PRICE	B'FAT DIF'L
Alto Cooperative Creamery, Alto	\$4.42	7.9¢
Antigo Milk Products Cooperative, Antigo	4.11	7.8
Blochowiak Dairy Company, Milwaukee	4.76	8.0
The Borden Company, Milwaukee	4.71	8.0
Borden Foods Company, New London	4.30	7.8
Cedarburg Dairy, Inc., Cedarburg	4.84	8.0
Christiansen's Dairy, Hartford	4.78	8.0
Consolidated Badger Cooperative, Appleton	4.43	7.9
Consolidated Badger Cooperative, Seymour	4.41	7.9
Consolidated Badger Cooperative, Wittenberg	4.35	7.9
Dean Milk Company, Belvidere, Ill.	4.48	7.9
Dean Milk Company, Chemung, Ill.	4.52	7.9
Dean Milk Company, Huntley, Ill.	4.52	7.9
Dean Milk Company, Janesville	4.48	7.9
Dean Milk Company, Rockford, Ill.	4.48	7.9
Dean Milk Company, Shullsburg	4.44	7.9
Deerfield Creamery Company, Deerfield	4.48	7.9
Fairmont Foods Company, Kewaskum	4.75	8.0
Galloway Company, Neenah	4.19	7.8
Galloway-West Company, Fond du Lac	4.36	7.8
Gehl Guernsey Farms, Inc., Germantown	4.50	7.9
Golden Guernsey Dairy Cooperative, Milwaukee	4.74	8.0
Golden Guernsey Dairy Cooperative, Waukesha	4.74	8.0
Gruber Brothers Dairy, Baraboo	4.37	7.9
Hawthorn-Mellody Farms Dairy, Milwaukee	4.71	8.0
Hawthorn-Mellody Farms Dairy, Whitewater	4.71	8.0
Healthway Dairy, Inc., Fort Atkinson	4.79	8.0
Hiawatha Valley Dairies Cooperative, Sparta	4.58	8.0
Hiawatha Valley Dairies Cooperative, Viroqua	4.58	8.0
Home Dairy, Inc., Beaver Dam	4.87	8.0
Keystone Farms, Waukesha	4.88	8.1
Krueger Dairy, Grafton	4.93	8.1
Lake to Lake Dairy Cooperative, Denmark	4.38	7.9
Lake to Lake Dairy Cooperative, Kiel	4.42	7.9
Ludwig Milk Company, Polo, Ill.	4.78	8.0
McFarlands' Farm Dairy, Watertown	4.62	8.0
Milk Producers Cooperative, Inc., Kenosha	4.84	8.0
Mullen's Dairy, Watertown	4.80	8.0
Outagamie Producers Cooperative, Black Creek	4.41	7.9
Pabst Farms, Inc., Oconomowoc	4.34	7.9
Pabst Farms, Inc., Paoli	4.34	7.9
Pet Incorporated, Belleville	4.57	7.9
Progressive Dairy Products Co., Racine	4.74	8.0
Pure Milk Association, Albion	4.68	8.0
Pure Milk Association, Astico	4.68	8.0
Pure Milk Association, Burlington, Ill.	4.72	8.0
Pure Milk Association, Burlington, Wis.	4.68	8.0
Pure Milk Association, Kansasville	4.87	8.0
Pure Milk Association, Mount Horeb	4.68	8.0
Pure Milk Association, Wyocena	4.62	8.0
Roets Home Dairy, Waupun	4.72	8.0
Sealtest Foods, Milwaukee	4.73	8.0
Slinger Creamery Incorporated, Slinger	4.61	7.8
Spinney Run Farms Corp., Libertyville, Ill.	4.55	7.9
Warren Dairy, Burlington	4.85	8.0
Wayside Dairy, Belgium	4.84	8.1
West Side Dairy, Inc., Hartford	4.77	8.0
White Clover Dairy Company, Inc., Holland	4.32	7.9
Willow Dale Dairy Farms, Inc., Antioch, Ill.	4.81	8.0
Wisconsin Dairies Cooperative, Reedsburg	4.42	7.9
Wisconsin Dairies Cooperative, Sauk City	4.46	7.9
Wright & Wagner Dairy, Beloit	4.31	7.8
Combination	\$4.53	7.9¢
WEIGHTED AVERAGES	Milwaukee Only	\$4.74 8.0¢

In the case of members of approved cooperatives, these prices are subject to the deductions authorized by the association. The prices listed do not include any premium payments which may be paid by handlers and which may bring actual payments in excess of the minimum requirements.

MILWAUKEE MARKET NO. 39♦

UTILIZATION AND CLASSIFICATION OF MILK

ITEM	October 1967		September 1967	
	Thousand Pounds	% B'fat	Thousand Pounds	% B'fat
CLASS I MILK				
Packaged Products:				
Fluid Milk	99,084	3.5	101,732	3.5
Flavored Milk	4,414	3.5	4,150	3.4
2% Skim Milk, Solids added	14,399	2.0	14,443	2.1
2% Skim Milk	2,280	2.1	2,256	2.1
Skim Milk, Solids added	4,602	.4	4,774	.5
Skim Milk	1,043	.5	1,048	.5
Buttermilk	1,112	.9	1,237	1.0
Flavored Milk Drink	690	1.0	631	1.0
Half & Half	2,521	11.9	2,792	11.9
Light Cream	34	18.3	35	18.6
Whipping Cream	256	34.2	256	34.1
Cultured Cream	840	17.1	914	17.0
Subtotal	131,275	3.5	134,268	3.5
Bulk Sales to Nonhandlers	71,748	3.4	57,537	3.6
Unaccounted for Milk	382	15.8	658	7.6
Total Utilized in Class I	203,405	3.5	192,463	3.5
Nonpool Receipts*	-3,280	5.1	-6,432	4.9
CLASS I - PRODUCER MILK	200,125	3.5	186,031	3.5
CLASS II MILK				
Eggnog	-	-	-	-
Bakeries et al. **	8,513	6.0	5,014	7.2
Cottage Cheese	13,254	1.4	16,143	1.0
Cheese	24,496	3.1	21,300	3.0
Butter	5,252	34.5	3,454	34.9
Evap., Cond., & Pwd.	60,432	1.3	55,055	1.3
Ice Cream & Mixes	8,036	13.5	7,928	14.0
Livestock Feed	107	-	125	-
Dumped Products	-	-	6	-
Skim Equiv. Fort. Prod.	2,181	-	2,193	-
Ending Inventory	12,888	4.6	9,969	4.9
Shrinkage	2,414	4.0	2,517	3.6
Total Utilized in Class II	137,573	4.2	123,704	3.8
Nonpool Receipts*	12,953	4.0	-14,521	3.6
CLASS II - PRODUCER MILK	124,620	4.2	109,183	3.9
TOTAL PRODUCER RECEIPTS	324,745	3.8	295,214	3.6

SELECTED DATA COMPARISONS

	October 1967	September 1967
Average Daily:		
Producer Milk, thous. lbs.	10,476	9,840
Other Receipts, thous. lbs.	209	287
Gross Class I, thous. lbs.	6,561	6,415
Gross Class II, thous. lbs.	4,438	4,123
Deliveries per Farm, lbs.	1,015	1,003
Number of Farms	10,405	9,822
Avg. Test of Producer Milk, %	3.75	3.63
Number of Handlers:		
Pool Plants	47	48
Other Handlers	2	2
Producer Milk in Class I, %	61.6	63.0
Shrinkage to Total Receipts:		
Product Pounds, %	.70	.84
Butterfat Pounds, %	1.02	.99

* Includes receipts of other source milk, beginning inventory, and overage, all as allocated to classes, and adjustment for Class II interorder transfers shown as Class I.

** Bakeries et al. includes products for candy manufacturing, aerated cream, sour cream products not labeled Grade A, and small amount of eggnog during off-season months.

♦ Data from all regulated handlers including those under Order No. 30 prior to May 1, 1966.